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*Proposed Attorneys for Debtors  
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION**

**In re:**

**PG&E CORPORATION,**

**- and -**

**PACIFIC GAS AND ELECTRIC  
COMPANY,**  
**Debtors.**

- ☐ Affects PG&E Corporation  
☐ Affects Pacific Gas and Electric Company  
☒ Affects both Debtors

*\* All papers shall be filed in the Lead Case,  
No. 19-30088 (DM).*

Bankruptcy Case  
No. 19-30088 (DM)

Chapter 11  
(Lead Case)  
(Jointly Administered)

**NOTICE OF RESOLUTION OF LIMITED  
OBJECTION OF OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS TO CORRECTED  
MOTION OF DEBTORS PURSUANT TO 11  
U.S.C. §§ 105(a), 363, AND 503(c) FOR ENTRY  
OF AN ORDER (I) APPROVING SHORT-TERM  
INCENTIVE PLAN AND (II) GRANTING  
RELATED RELIEF**

Related Doc: Nos. 806 & 1227

Date: April 9, 2019

Time: 9:30 a.m. (Pacific Time)

Place: United States Bankruptcy Court  
Courtroom 17, 16th Floor  
San Francisco, CA 94102

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## NOTICE

The Debtors<sup>1</sup> submit this notice to advise the Court and all parties of the resolution of the Limited Objection (the “**Limited Objection**”) filed by the Official Committee of Unsecured Creditors (the “**Creditors’ Committee**”) to the *Corrected Motion of Debtors Pursuant to 11 U.S.C. §§ 105(a), 363, and 503(c) for Entry of an Order (I) Approving Short-Term Incentive Plan and (II) Granting Related Relief* (the “**2019 STIP Motion**”) (ECF No. 806).

The Debtors and the Creditors’ Committee have been engaged in productive discussions regarding potential modifications to the 2019 STIP to resolve the concerns raised by the Creditors’ Committee in the Limited Objection. The Debtors are pleased to report that the discussions have resulted in the following modifications to the 2019 STIP, which, subject to documentation, fully resolve the Limited Objection:

1. The weighting for the Public Safety Index has been increased from 10% to 25%, thereby increasing the weighting for the safety metrics in the 2019 STIP from 50% to 65% (with a corresponding 15% reduction in the Financial Performance weighting, from 40% to 25%);
2. If, as a result of its review of the Company’s 2019 Wildfire Mitigation Plan, the CPUC changes any of the safety targets that is a metric in the 2019 STIP, such metric will be changed to match that change;
3. The threshold and maximum targets for the financial metric in the 2019 STIP for Earnings from Operations have been changed from 95% to 105% of target to 90% to 110% of target;
4. The Individual Performance Modifier (“**IPM**”) component of the 2019 STIP will be applied on an annual rather than quarterly basis—and, as in previous years, the IPM will be based on year-end performance, with the potential IPM ranging from 0 – 150% and for both upward and downward adjustments for all STIP participants; and

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<sup>1</sup> All capitalized terms used herein have the meanings assigned to them in the Debtors’ 2019 STIP Motion, ECF No. 806, unless otherwise noted.

- 1        5. The Debtors will provide quarterly reporting to the Creditors' Committee on  
2        performance results and calculations underlying any proposed 2019 STIP payments  
3        after certification by PG&E Internal Audit and prior to any payment to eligible  
4        participants. Any proposed 2019 STIP payments will be made no sooner than seven  
5        (7) calendar days after delivery of such quarterly reporting to the Creditors' Committee.

6        With these modifications, the Creditors' Committee has advised the Debtors that it will  
7        withdraw its Limited Objection and support approval of the 2019 STIP, as so modified.

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9        Dated: April 8, 2019

**WEIL, GOTSHAL & MANGES LLP**

**KELLER & BENVENUTTI LLP**

11        By: /s/ Jane Kim

12        Jane Kim

13        *Proposed Attorneys for Debtors*  
14        *and Debtors in Possession*